Customs modernization case study
- Tanzania -

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CUPIA
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II Modernization systems
III Procedures
IV Success factors
Introduction

1. Needs for customs modernization
1. Needs for customs modernization

I. Introduction

Fig. 1 - Overcoming limited resources

Fig. 2 – Tanzania trade volume
Modernization systems

1. ASYCUDA
2. RM & CM
3. TANCIS
Part of modernization plan
ASYCUDA was chosen based on the TRA corporate plan. The Tanzania national development plan also included automating administrative processes of the government.

First centralized system
ASYCUDA provided networked customs environment enabling centralization and utilizing customs data. Automating much of customs procedures.

<table>
<thead>
<tr>
<th>Title</th>
<th>Details</th>
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</thead>
<tbody>
<tr>
<td>Title</td>
<td>TRA customs modernization plan</td>
</tr>
<tr>
<td>Schedule</td>
<td>March 2003 ~ June 2004</td>
</tr>
<tr>
<td>Scope</td>
<td>National wide clearance automation</td>
</tr>
<tr>
<td>Funding</td>
<td>• Government of Tanzania</td>
</tr>
<tr>
<td></td>
<td>• World Bank loan</td>
</tr>
<tr>
<td>Parties</td>
<td>• TRA : Management, operation</td>
</tr>
<tr>
<td></td>
<td>• UNCTAD : Feasibility study</td>
</tr>
<tr>
<td></td>
<td>• WB : Funding</td>
</tr>
<tr>
<td></td>
<td>• ASYCUDA : Consulting, development</td>
</tr>
</tbody>
</table>
### Title Details

<table>
<thead>
<tr>
<th>Title</th>
<th>A project for modernization of TRA</th>
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<tbody>
<tr>
<td>Schedule</td>
<td>August 2011 ~ August 2013</td>
</tr>
<tr>
<td>Scope</td>
<td>Introducing risk and cargo management system in Dar es Salaam</td>
</tr>
</tbody>
</table>
| Funding | • Korean government  
• KOICA grant |
| Parties | • TRA : Monitoring, operation  
• KOICA : Funding, management  
• CUPIA : Development |

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**II. Modernization systems**

**Increased workload**
Rapid increase in trade volume and limited resources required concentration of available resources.

**Meeting needs and wants**
The Tanzania government needed a new solution to increase TRA’s productivity. The Korean government wanted increase cooperation opportunity with Africa.

**Partial upgrade**
ASYCUDA and the new RM & CM systems work in conjunction.
### 3. TANCIS

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Title</td>
<td>A new automated customs system</td>
</tr>
<tr>
<td>Schedule</td>
<td>August 2012 ~ August 2014</td>
</tr>
<tr>
<td>Scope</td>
<td>Fully automate customs administration</td>
</tr>
</tbody>
</table>
| Funding | • Tanzania government  
• Various |
| Parties | • TRA : Planning, Management, operation  
• ICF and other : Funding  
• CUPIA : Development |

#### Accommodate the public
System is more accessible by the public expanding the service to the private

#### Changing the process
Radical business process re-engineering not only introduced a new system, but changed much of business processes

#### Preparation
Preparing for future increase in trade volume and the East African Community Single Customs Territory
3. TANCIS

II. Modernization systems

Change in clearance time

Economic benefits (Import clearance)

- Change in time (in hours) = Before – After
  223.44 – 184.54 = 38.9

- Total time saving (per year) = Change in time * number of declarations
  38.9 * 491,776 = 19,130,086

- Opportunity cost = Total time saving * Opp. Cost in Tanzania
  19,130,086 * US$0.82 = US$15,686,670
III Procedures

1. Implementation procedures
1. Implementation produces

### Environment assessment
- Feasibility study is carried out to see plausibility of a project and obtain rough estimate on effect of the system implementation by the TRA
- BPR/ISP is performed to analyze current status of a customs administration and draw a new business model following the TRA corporate plan

### Preparations
- Comprehensive implementation plan is drawn
- Laws and regulations, customs procedures and process are changed
- Necessary changes on infrastructure are made

### Pilot and full operation
- Pilot operation of the system and various information is collected such as operation parameter and system improvement
- After the evaluation and improvement are made based on the data from the pilot operation, full operation of the system starts

### Support
- Capacity building programs are provided to customs officers, system operators and external users by both the developer and TRA staffs
- Functional improvements are constantly made to meet further requirements
IV Success factors

1. TRA success factors
2. Promotion
### 1. TRA success factors

| Political will | ▪ Force cooperation within the customs and draw support from the government authorities  
▪ Provide support to change laws and regulations |
|----------------|--------------------------------------------------------------------------------------------------|
| Internal capacity building | ▪ Provide user training for better utilization of the system  
▪ Organize training programs for internal and external users |
| Providing user-oriented service | ▪ Reflect user requirements on the system and better accessibility  
▪ Operate technical support center |
| Preparing for the future | ▪ Follow intl. standards such as Revised Kyoto Convention, WCO DM  
▪ The East African Community Single Customs Territory and the single window C2C data exchange |
### Promotion - Internal

<table>
<thead>
<tr>
<th>Risk Factors</th>
<th>Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reluctance in adopting a computerized system</strong> among customs staffs especially the staffs involved in clearance procedure</td>
<td>During the transition period, <strong>gradually change work processes</strong> from manual to automated for adjustment of staffs</td>
</tr>
<tr>
<td><strong>Resistance in sharing</strong> work experience and knowledge between staffs</td>
<td><strong>Provide incentives</strong> for sharing them</td>
</tr>
<tr>
<td><strong>Conflicts</strong> arises between different departments within a customs because of the perception that changes can cause infringement in their work rights</td>
<td><strong>Address the conflicts</strong> between the different departments in an <strong>operations committee</strong></td>
</tr>
</tbody>
</table>
## Promotion - External

<table>
<thead>
<tr>
<th>Risk Factors</th>
<th>Solutions</th>
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<tbody>
<tr>
<td>Distrust on electronic documents for their Legitimacy</td>
<td>Establish reliable user groups that could promote use of electronic documents</td>
</tr>
<tr>
<td>Concern among organizations that are connected to the system, especially private enterprises over possible leakage of their Information</td>
<td>Implement strong security measures in a system for possible ‘hacking’ from both inside and outside and establish strict regulations on Information handling by customs staffs</td>
</tr>
<tr>
<td>Non-standardized data and different level of computerization between customs, government agencies and non-governmental systems hinder information sharing</td>
<td>National level support by the government should be provided</td>
</tr>
</tbody>
</table>
Thank you

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